

**UNOFFICIAL MINUTES  
STATE BOND COMMITTEE  
October 25, 2006**

A meeting of the State Bond Committee was held at 9:00 a.m. on October 25, 2006 at the Department of Revenue, Commissioner's Conference Room, Juneau, Alaska.

State Bond Committee Members present were:

Greg Winegar, Director of Division of Investments, Department of  
Commerce, Community & Economic Development  
Kevin Brooks, Deputy Commissioner, Department of Administration  
Tom Boutin, Deputy Commissioner, Department of Revenue

Present telephonically were:

Freda Johnson, President, Government Finance Associates  
Chester Johnson, Government Finance Associates  
Shelly Ebenal, Birch, Horton Bittner and Cherot  
Ken Vassar, Birch, Horton Bittner and Cherot  
Cynthia Weed, Preston, Gates and Ellis  
Cindy Cartledge, Wohlforth, Johnson, Brecht Cartledge & Brooking  
Joe Dubler, Finance Director, Alaska Housing Finance Corporation  
Mike Buller, Alaska Housing Finance Corporation  
Peter Haines, Alaska Housing Finance Corporation

Also present in Juneau were:

Deven Mitchell, Debt Manager, Department of Revenue  
Diane Barrans, Alaska Student Loan Corporation  
Libby McDonnaugh, Alaska Student Loan Corporation  
Butch White, Department Environmental Conservation

**I. Call to Order**

Mr. Winegar called the meeting to order at 9:05 a.m. AST.

**II. Roll Call**

Mr. Mitchell took roll call. Mr. Brooks, Mr. Boutin and Mr. Winegar were present.

**III. Public Meeting Notice**

A copy of the Advertising Order and Affidavit of Publication concerning the date, location, and purpose of the meeting were reviewed and made a part of the

minutes of the meeting. Mr. Mitchell stated the meeting notice was advertised in the State's Online Public Notice.

**IV. Approval of Agenda**

The agenda was adopted without changes.

**V. Minutes of Meeting of July 19, 2006 State Bond Committee Meeting**

Tom Boutin moved the approval of the minutes of the July 19, 2006 meeting, and they were adopted as submitted.

**VI. Public Comment**

Mr. Winegar asked for public participation and comment. There was none.

**VII. New Business**

*Resolution 2006-09*

The first item of business was Resolution 2006-09, a resolution of the State Bond Committee of the State of Alaska relating to the issuance and sale of two series of notes to be designated as Alaska Clean Water Fund Revenue Bond Anticipation Note, 2006, Series A in the aggregate principal amount of up to \$1,060,000 and Alaska Drinking Water Fund Revenue Bond Anticipation Note, 2006 Series B in the aggregate principal amount of up to \$1,070,000; fixing the place of payment and other covenants with respect to said notes; and authorizing the Debt Manager to solicit proposals from banks for the purchase of the notes and approve the final interest costs and maturity dates for the notes and to execute a purchase contract under the terms and conditions set forth herein. Mr. Boutin moved approval of Resolution 2006-09, State of Alaska Clean Water Fund Revenue Bond Anticipation Note 2006 Series A and B of 2006. Mr. Brooks seconded. Mr. Mitchell called the roll and the motion passed unanimously.

*Resolution 2006-10*

The next item of business was Resolution 2006-10, a resolution of the State Bond Committee of the State of Alaska allocating the Private Activity Bond Volume Limit of the State of Alaska for Calendar Year 2006. The State Bond Committee resolves that In accordance with AS 37.15.8000, and for all purposes of 26 U.S.C. 146, (A) \$12,905,173.45 of the allocation to the AIDEA is rescinded; (B) \$47,094,826.55 of the allocation to the AIDEA is reaffirmed; (C) \$70,000,000 of private activity bond volume limit for the State of Alaska for calendar year 2006 is allocated to the ASLC; and \$129,515,173.40 of private activity bond volume limit for the State of Alaska for calendar year 2006 is allocated to the AHFC. Mr. Dubler of AHFC told the SBC the Alaska Veteran's Program could

become eligible for use of Private Activity Cap. The Veteran's Program is currently limited to \$15 million per year, but will potentially grow. He said they will have used all their carry-forward by the end of this calendar year. Mr. Boutin stated what we've always tried to do is minimize the amount that lapses. The ASLC has had a more predictable usage than the other agencies. Mr. Brooks moved approval of Resolution 2006-10 with the number previously specified, State of Alaska Private Activity Bond Volume Limit of the State of Alaska. Mr. Boutin seconded. Mr. Mitchell called the roll and the motion passed unanimously.

#### **VIII. Debt Manager's Report**

Mr. Mitchell reported on meetings with the rating agencies last August and again last week to discuss current events in the state in particular the Prudhoe Bay issue. There was a lot of interest from the rating analysts on how those events would impact state revenues. Mr. Mitchell said Dr. Michael Williams did a very good job of explaining to the rating agencies the implications of the reduced flow from Prudhoe Bay. He provided the scientific approach concerning the bypasses, corrosion issues and spills and what they have meant to revenue. The stable outlook for the State of Alaska is certainly in place despite some of the uncertainties of the last several months.

#### **IX. Committee Members Comments**


Mr. Boutin commented that general fund debt service has more than doubled between 2003 and 2006. In 2003 debt service from the general fund was \$73,000,000 and in 2006 \$150,000,000. He said petroleum revenues have been strong so that hasn't been an issue but I think all of us have been through times when an additional \$75 million of general fund would have been an issue.

#### **X. Scheduling of Next Meeting**

The next meeting will be at the call of the Chair. Mr. Mitchell said probably sometime in February or March depending on how the next administration develops.

#### **XI. Adjournment**

There being no further business, without objection the meeting was adjourned at 9:40 a.m..

 *as 1<sup>st</sup> delegate for*  
Patrick Galvin  
Department of Revenue  
Secretary